SO//EFD2/2025-26/8523-24

SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER

IN RESPECT OF

Sr. No.	Applicants Name	Application Number
1	Abans Alternative Fund Managers LLP	8523/2025
2	Abans Investment Trust	8524/2025

(The aforementioned entities are hereinafter collectively referred to as "the Applicants")

IN THE MATTER OF EXAMINATION OF VIOLATION OF CONCENTRATION NORMS BY AIF AND INVESTMENT MANAGER

1. Abans Alternative Fund Managers LLP and Abans Investment Trust (hereinafter collectively referred to as "**Applicants**") filed a *suo-motu* settlement application with the Securities and Exchange Board of India (hereinafter referred to as "**SEBI**") in terms of the Securities Exchange Board of India (Settlement Proceedings) Regulations, 2018 (hereinafter referred to as "**Settlement Regulations, 2018**") proposing to settle by neither admitting nor denying the findings of facts and conclusions of law, the enforcement proceedings that may be initiated against them for the alleged violation of Regulation 15 (1) (c) of the Securities Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (hereinafter referred to as "**AIF Regulations, 2012**").

2. Brief facts of the case are as follows:
   a) Regulation 28 of the AIF Regulations, 2012, empowers SEBI to call upon the Alternative Investment Fund (hereinafter referred to as **'AIF'**) to file such reports, as the Board may desire, with respect to the activities carried on by the AIF. Based on this, data was submitted by Abans Alternative Fund Managers LLP (hereinafter referred to as **'Manager'**) for the Scheme Abans AIF-1 (hereinafter referred to as **'Scheme'**) of the AIF namely Abans Investment Trust (hereinafter referred to as **'AIF'/ 'Fund'**).

   b) After analyzing the data submitted, it was alleged that the Fund has breached the concentration limit as prescribed under Regulation 15 (1)(c) of the AIF

Regulations, 2012. It has been observed that the Fund raised an initial corpus of ₹65.99 Crores, which was invested by the Manager. Thus, initially the investible funds under the Scheme were same as the corpus under the Scheme. Subsequently, a part of these investments, acquired at the cost of ₹29.7 Crores, was liquidated. The proceeds arising out of the aforesaid liquidation amounted to ₹37.94 Crores. Thus, there was a net gain of ₹8.24 Crores in this transaction. The gain so made was added back to the initial corpus raised from the investors. Thus, the new value of investible funds was taken to be ₹74.23 Crores. Based on this amount, the concentration limit of 25% was calculated to be ₹18.55 Crores (0.25 X 74.23 = 18.55).

c) As per Regulation 2(1)(p) and 2(1)(h) of the AIF Regulations, 2012, the corpus should have included only the total amount of funds committed by investors to the AIF and precludes inclusion of any gains/losses made from the liquidation of previous investments held under the Schemes of AIFs. This had consequently led to erroneous calculation of the concentration limit (i.e. 25% of the investible funds) leading to Manager allegedly investing in excess of the said limits.

3. The Applicants have filed the present Settlement application for the purpose of settling the enforcement proceedings that may be initiated against them for the alleged violations mentioned at paragraph 1 above.

4. Pursuant to the receipt of the application, the authorized representatives of the Applicants had a meeting with the Internal Committee of SEBI on July 29, 2025 wherein the details of the case were deliberated along with the terms of settlement. Thereafter, vide email dated August 06, 2025, the Applicants filed revised settlement terms proposing settlement amount of ₹8,70,000/- (Rupees Eight Lakhs Seventy Thousand only) to settle the enforcement proceedings that may be initiated against them.

5. The High Powered Advisory Committee (hereinafter referred to as "**HPAC**") in its meeting held on September 15, 2025 considered the revised settlement terms proposed by the Applicants and recommended that the case may be settled as per the settlement terms proposed by the Applicants above.

6. The recommendation of the HPAC was approved by the Panel of Whole Time Members of SEBI on October 14, 2025. Subsequently, a Notice of Demand for the said amount was issued to the Applicants on November 26, 2025. The Applicants informed about the remittance of the aforesaid settlement amount on December 11, 2025 and SEBI has confirmed credit of the same.

7. On the basis of the facts stated above, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulation 23 of the Settlement Regulations, 2018, it is hereby ordered that any proceedings that may be initiated for the violations as mentioned at paragraph 1 above, are settled in respect of the Applicants on the following terms:
   i. SEBI shall not initiate any enforcement action against the Applicants for the said violations, and
   ii. passing of this Order is without prejudice to the rights of SEBI under Regulation 28 of the Settlement Regulations, 2018 to initiate appropriate action against the Applicants, if SEBI finds that:
      (a) any representation made by the Applicants in the present settlement proceedings is subsequently found to be untrue;
      (b) the Applicants have breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
      (c) there was a discrepancy while arriving at the settlement terms.

8. This Settlement Order shall come into force with immediate effect.

9. In terms of Regulation 25 of the Settlement Regulations, 2018, a copy of this Order shall be sent to the Applicants and shall also be published on the website of SEBI.

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KAMLESH CHANDRA VARSHNEY
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WHOLE TIME MEMBER